

106TH CONGRESS  
1ST SESSION

# H. R. 2648

To amend the Tariff Act of 1930 to clarify the rules for treatment of international travel merchandise and bonded warehouses and staging areas.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1999

Mr. SHAW introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Tariff Act of 1930 to clarify the rules for treatment of international travel merchandise and bonded warehouses and staging areas.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       That section 555 of the Tariff Act of 1930 (19 U.S.C.  
4       1555) is amended by adding at the end the following:

5       “(c) INTERNATIONAL TRAVEL MERCHANDISE.—

6               “(1) DEFINITIONS.—For purposes of this  
7       section—

8               “(A) the term ‘international travel mer-  
9       chandise’ means duty-free or domestic merchan-  
10       dise which is placed on board aircraft on inter-

1 national flights for sale to passengers, but  
2 which is not merchandise incidental to the oper-  
3 ation of a duty-free sales enterprise;

4 “(B) the term ‘staging area’ is an area  
5 controlled by the proprietor of a bonded ware-  
6 house outside of the physical parameters of the  
7 bonded warehouse in which manipulation of  
8 international travel merchandise in carts occurs;

9 “(C) the term ‘duty-free merchandise’  
10 means merchandise on which the liability for  
11 payment of duty or tax imposed by reason of  
12 importation has been deferred pending expor-  
13 tation from the customs territory;

14 “(D) the term ‘manipulation’ means the  
15 repackaging, cleaning, sorting, or removal from  
16 or placement on carts of international travel  
17 merchandise; and

18 “(E) the term ‘cart’ means a portable con-  
19 tainer holding international travel merchandise  
20 on an aircraft for exportation.

21 “(2) BONDED WAREHOUSE FOR INTER-  
22 NATIONAL TRAVEL MERCHANDISE.—The Secretary  
23 shall by regulation establish a separate class of  
24 bonded warehouse for the storage and manipulation  
25 of international travel merchandise pending its

1 placement on board aircraft departing for foreign  
2 destinations.

3 “(3) RULES FOR TREATMENT OF INTER-  
4 NATIONAL TRAVEL MERCHANDISE AND BONDED  
5 WAREHOUSES AND STAGING AREAS.—(A) The pro-  
6 prietor of a bonded warehouse established for the  
7 storage and manipulation of international travel  
8 merchandise shall give a bond in such sum and with  
9 such sureties as may be approved by the Secretary  
10 of the Treasury to secure the Government against  
11 any loss or expense connected with or arising from  
12 the deposit, storage, or manipulation of merchandise  
13 in such warehouse. The warehouse proprietor’s bond  
14 shall also secure the manipulation of international  
15 travel merchandise in a staging area.

16 “(B) A transfer of liability from the inter-  
17 national carrier to the warehouse proprietor occurs  
18 when the carrier assigns custody of international  
19 travel merchandise to the warehouse proprietor for  
20 purposes of entry into warehouse or for manipula-  
21 tion in the staging area.

22 “(C) A transfer of liability from the warehouse  
23 proprietor to the international carrier occurs when  
24 the bonded warehouse proprietor assigns custody of  
25 international travel merchandise to the carrier.

1           “(D) The Secretary is authorized to promulgate  
2 regulations to require the proprietor and the inter-  
3 national carrier to keep records of the disposition of  
4 any cart brought into the United States and all mer-  
5 chandise on such cart.”.

